

ST. MARY PARISH ASSESSOR**FINANCIAL REPORT****Year Ended December 31, 2005**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6-14-06

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Darnall, Sikes, Gardes Frederick..

(A Corporation of Certified Public Accountants)

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INDEPENDENT AUDITOR'S REPORT

The Honorable Sherel A. Martin, Jr., Assessor
St. Mary Parish Assessor
Franklin, Louisiana

We have audited the accompanying financial statements of the St. Mary Parish Assessor, a component unit of the St. Mary Parish Council, as of and for the year ended December 31, 2005, as listed in the table of contents. These financial statements are the responsibility of the Assessor's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the St. Mary Parish Assessor as of December 31, 2005, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 3, 2006, on our consideration of the St. Mary Parish Assessor's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts.

The St. Mary Parish Assessor has not presented the management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Member of:
American Institute of
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Society of Louisiana
Certified Public Accountants

The budgetary comparison information on page 10 is not a required part of the financial statements but is supplementary information required by accounting principals generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Dannall, Sikes, Gaudes & Frederick

A Corporation of Certified Public Accountants

Morgan City, Louisiana
May 3, 2006

FINANCIAL SECTION

ST. MARY PARISH ASSESSOR

Statement of Net Assets
December 31, 2005

ASSETS

Current assets:	
Cash and cash equivalents	\$ 200,557
Investments	5,233
Receivables	
Taxes (net of allowance for uncollectible taxes)	691,693
Other	1,968
Due from other governmental units	9,093
Prepaid expense	3,858
Total current assets	<u>912,402</u>
Capital assets:	
Equipment and furniture	546,024
Property held under capital leases	6,680
	<u>552,704</u>
Less: accumulated depreciation	<u>(542,284)</u>
Total capital assets, net of accumulated depreciation	<u>10,420</u>
Total assets	<u>\$ 922,822</u>

LIABILITIES

Current liabilities:	
Accounts payable	\$ 5,117
Deferred revenues	822,944
Current portion of obligations under capital leases	<u>1,727</u>
Total liabilities	<u>829,788</u>

NET ASSETS

Investment in capital assets, net of related debt	8,693
Unrestricted	<u>84,341</u>
Total net assets	<u>93,034</u>
Total liabilities and net assets	<u>\$ 922,822</u>

The accompanying notes are an integral part of this statement.

ST. MARY PARISH ASSESSOR
Franklin, Louisiana

Statement of Activities
Year Ended December 31, 2005

		Program Revenues		Net (Expense) Revenue And Changes in Net Assets
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
General government	\$ 858,751	\$ 13,375	\$ -	\$ (845,376)
Interest on long-term debt	<u>743</u>	<u>-</u>	<u>-</u>	<u>(743)</u>
	<u>859,494</u>	<u>13,375</u>	<u>-</u>	<u>(846,119)</u>
General Revenues:				
Ad valorem taxes				840,111
State revenue sharing				50,448
Interest and investment earnings				6,163
Miscellaneous				<u>903</u>
Total general revenues				<u>897,625</u>
Change in net assets				51,506
Net assets -- beginning				<u>41,528</u>
Net assets -- ending				<u>\$ 93,034</u>

The accompanying notes are an integral part of this statement.

ST. MARY PARISH ASSESSOR

Balance Sheet
Governmental Fund
December 31, 2005

	<u>General Fund</u>
ASSETS	
Cash	\$ 63,175
Interest-bearing deposits, at cost	137,382
Investments	5,233
Receivables -	
Taxes (net of allowance for uncollectible taxes)	691,693
Other	1,968
Due from other governmental units	<u>9,093</u>
Total assets	<u>\$ 908,544</u>
LIABILITIES AND FUND EQUITY	
Liabilities:	
Accounts payable	\$ 5,117
Deferred revenue	<u>822,944</u>
Total liabilities	<u>828,061</u>
Fund balance:	
Unreserved	<u>80,483</u>
Total fund balance	<u>80,483</u>
Total liabilities and fund balance	<u>\$ 908,544</u>

The accompanying notes are an integral part of this statement.

ST. MARY PARISH ASSESSOR
Franklin, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Assets
December 31, 2005

Total fund balance - governmental fund	\$	80,483
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Total net assets reported for governmental activities in the
statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund		10,420
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Prepaid expenses involve the payment with current financial resources of obligations that are attributable to fiscal periods beyond the end of the current fiscal year.		3,858
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Long-term liabilities, which include obligations under capital leases, are not due and payable in the current period and therefore are not reported in the fund		<u>(1,727)</u>
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Net assets of governmental activities	\$	<u>93,034</u>
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The accompanying notes are an integral part of this statement.

ST. MARY PARISH ASSESSOR
Franklin, Louisiana

Statement of Revenues, Expenditures, and Changes in
Fund Balance – Governmental Fund
Year Ended December 31, 2005

	<u>General Fund</u>
Revenues:	
Taxes - ad valorem	\$ 840,111
Intergovernmental -	
State revenue sharing	50,448
Miscellaneous -	
Interest on deposits	6,163
Other	<u>14,278</u>
Total revenues	<u>911,000</u>
Expenditures:	
Current -	
General government:	
Taxation	846,739
Debt service -	
Principal retirement	4,934
Interest and fiscal charges	<u>743</u>
Total expenditures	<u>852,416</u>
Excess of revenues over expenditures	58,584
Fund balance, beginning	<u>21,899</u>
Fund balance, ending	<u>\$ 80,483</u>

The accompanying notes are an integral part of this statement.

ST. MARY PARISH ASSESSOR
Franklin, Louisiana

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance of Governmental Funds to the
Statement of Activities
Year Ended December 31, 2005

Net change in fund balance - governmental fund \$ 58,584

Amounts reported for governmental activities in the statement
of activities are different because:

Governmental fund reports capital outlays as expenditures,
however, in the statement of activities the cost of those
assets is allocated over their estimated useful lives and
reported as depreciation expense. This is the amount
of depreciation expense in the current period. (11,792)

Certain expenditures of the governmental fund involve the
payment of current financial resources for obligations
attributable to fiscal periods following the close of the
current fiscal period. The portion of payments for insurance
coverage attributable to periods after December 31, 2005 are
classified as prepaid expenditures in the statement of net assets.
This is the difference between prior year and current year accruals. (220)

Repayment of capital lease obligation principal is an expenditure
in the governmental fund, but the repayment reduces long-term
liabilities in the statement of net assets. 4,934

Change in net assets of governmental activities \$ 51,506

The accompanying notes are an integral part of this statement.

ST. MARY PARISH ASSESSOR
Franklin, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the Assessor is elected by the voters of the parish and serves a term of four years. The Assessor assesses all real and movable property in the parish, subject to ad valorem taxation. The Assessor is authorized to appoint as many deputies as may be necessary for the efficient operation of the office and to provide assistance to the taxpayers of the parish. The deputies are authorized to perform all functions of the office, but the Assessor is officially and pecuniary responsible for the actions of the deputies.

The Assessor's office is located in the St. Mary Parish Courthouse in Franklin, Louisiana. The Assessor employs 17 employees, including 15 deputies. In accordance with Louisiana law, the Assessor bases real and movable property assessments on conditions existing on January 1 of the tax year. The Assessor completes an assessment listing by May 1 of the tax year and submits the list to the parish governing authority and the Louisiana Tax Commission as prescribed by law. Once the assessment listing is approved, the Assessor submits the assessment roll to the parish tax collector who is responsible for collecting and distributing taxes to the various taxing bodies.

At December 31, 2005, there are 42,747 real property and movable property assessments totaling \$156,530,070 and \$207,458,236, respectively.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity

As the governing authority of the parish, for reporting purposes, the St. Mary Parish Council is the financial reporting entity for St. Mary Parish. The financial reporting entity consists of (a) the primary government (Parish Council), (b) the organization for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the St. Mary Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Parish Council to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Parish Council.

ST. MARY PARISH ASSESSOR
Franklin, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Organizations for which the Parish Council does not appoint a voting majority but are fiscally dependent on the Parish Council.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the St. Mary Parish Council provides office space to the Assessor and the significance of the relationship between the Assessor and the St. Mary Parish Council, the Assessor was determined to be a component unit of the St. Mary Parish Council, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Assessor and do not present information on the St. Mary Parish Council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Government-Wide and Fund Financial Statements

The statement of net assets and statement of activities display information about the reporting government as a whole. Both the government-wide and the fund financial statements categorize primary activities as governmental.

The statement of activities demonstrates the degree to which the direct expenses have a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Program revenues of the St. Mary Parish Assessor include fees and charges paid by the recipients for goods or services offered by the Assessor's office such as tax roll preparation and making copies of various reports. Taxes and items not properly included among program revenues are reported as *general revenues*.

A separate financial statement is provided for the governmental fund.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Government fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or as soon enough thereafter to pay liabilities for the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

ST. MARY PARISH ASSESSOR
Franklin, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Ad valorem taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Ad valorem taxes are recognized as revenues in the year in which such taxes are levied and billed to the taxpayers. Other major revenues that are considered susceptible to accrual include intergovernmental revenues and interest on investments.

The Assessor has the following fund type:

Governmental Fund—

The focus of the governmental fund's measurement (in the fund statement) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental fund of the Assessor:

General Fund

The General Fund, as provided by Louisiana Revised Statute 47:1906, is the principal fund of the Assessor and accounts for the operation of the Assessor's office. Compensation received from the various taxing bodies, prescribed by formula in Louisiana Revised Statutes 47:1907-1908 and ad valorem tax revenue authorized by Act 292 of 1985 is accounted for in this fund. General operating expenditures are paid from this fund.

Budgets

The Assessor uses the following budget practices:

1. The Assessor prepares a proposed budget for the fiscal year prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection.
3. A public hearing is held on the proposed budget after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Assessor.
6. All budgetary appropriations lapse at the end of each fiscal year.

ST. MARY PARISH ASSESSOR
Franklin, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law, the Assessor may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Capital Assets

All capital assets purchased or acquired with an original cost of \$1,000 for furniture and \$5,000 for equipment or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Equipment and Furniture

5 – 10 Years

Deferred Revenue

Property taxes collected at December 31, 2005, that are not available to finance the operations of the current period are reported as deferred revenues and are recognized as operating revenues in the subsequent period.

Compensated Absences

Employees of the Assessor's office earn from ten to fifteen days of vacation leave each year based on length of service. Vacation leave must be used in the year earned. A maximum of six weeks of sick leave is allowed for maternity and/or surgery. Additional sick leave may be granted at the discretion of the Assessor. Sick leave is not accrued.

Use of Estimates

The St. Mary Parish Assessor uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures or expenses, as appropriate.

ST. MARY PARISH ASSESSOR
Franklin, Louisiana

Notes to the Financial Statements

NOTE 2 LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes:

Assessment District	Authorized Millage	Levied Millage
	<u>2.75</u>	<u>2.75</u>

Total taxes levied during 2005 were \$822,944. Taxes receivable at December 31, 2005 consists of \$704,933 for the 2005 assessment, of which 1.878 percent or \$13,241 is considered uncollectible.

Following are the principal taxpayers for the parish:

	Type of Taxpayer	Assessed Valuation	Percentage of Total Assessed Valuation
CLECO Power, LLC	Public Utility	\$ 11,927,700	3.28%
Cabot Corporation	Spec. Chemicals	6,508,123	1.79%
Cooper Cameron Corporation	Oil & Gas	5,540,970	1.52%
Bell South Communications	Telecommunications	4,949,360	1.36%
ANR Pipeline Co.	Gas Pipeline	4,831,670	1.33%
Columbian Chemicals	Spec. Chemicals	4,347,724	1.19%
Degussa Carbon Black	Spec. Chemicals	4,201,483	1.15%
Nexen Petroleum	Oil & Gas	4,005,151	1.10%
BP America Production	Oil & Gas	4,003,056	1.10%
Truckline Gas Company	Gas Pipeline	<u>3,897,760</u>	<u>1.07%</u>
		<u>\$ 54,212,997</u>	<u>14.89%</u>

NOTE 3 CASH AND CASH EQUIVALENTS

At December 31, 2005, the Assessor has cash and cash equivalents (book balances) totaling \$200,557 as follows:

Cash on hand	\$ 100
Demand deposits	63,075
Money market accounts	<u>137,382</u>
Total	<u>\$ 200,557</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are

ST. MARY PARISH ASSESSOR
Franklin, Louisiana

Notes to the Financial Statements

NOTE 3 CASH AND CASH EQUIVALENTS (CONTINUED)

held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2005, the Assessor has \$241,234 in deposits (collected bank balances). These deposits are secured from risk by \$203,852 of federal deposit insurance and \$203,524 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Assessor that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 4 INVESTMENTS

The Assessor can invest in securities of the United States Government unless such an investment is expressly prohibited by law. The carrying amounts and approximate market values of investments are summarized as follows:

		December 31, 2005	
		Market Value/ Carrying Amount	Cost
Description	Interest Rate		
General Fund			
Louisiana Asset Management Pool	Various	\$ 5,233	\$ 5,233

In accordance with GASB Codification Section I150.165, the investment in the Louisiana Asset Management Pool (LAMP) is not categorized in the three risk categories provided by GASB Codification I50.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and statewide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S. Treasury, the U. S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balance. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

ST. MARY PARISH ASSESSOR
Franklin, Louisiana

Notes to the Financial Statements

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2005 was as follows:

	Equipment and Furniture
Cost at December 31, 2004	\$ 552,704
Additions	-
Deletions	-
Cost at December 31, 2005	<u>552,704</u>
Depreciation:	
Accumulated depreciation, December 31, 2004	530,492
Additions	11,792
Deletions	-
Accumulated depreciation, December 31, 2005	<u>542,284</u>
Capital assets, net of accumulated depreciation at December 31, 2005	<u>\$ 10,420</u>

NOTE 6 CHANGES IN LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended December 31, 2005:

	Balance 12/31/2004	Additions	Deletions	Balance 12/31/2005	Due Within One Year
Capital leases payable	<u>\$ 6,661</u>	<u>\$ -</u>	<u>\$ 4,934</u>	<u>\$ 1,727</u>	<u>\$ 1,727</u>

NOTE 7 LEASE OBLIGATIONS

The Assessor's office is the lessee of computers and other technology equipment under capital leases expiring in various years through 2006. The assets and liabilities under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The assets are depreciated over the lower of their related lease terms or their estimated productive lives. Depreciation of assets under capital leases is included in depreciation expense for 2005.

Minimum future lease payments under these lease agreements as of December 31, 2005 through the expiration date are as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2006	\$ 1,846
Less: Amount representing interest	119
	<u>\$ 1,727</u>

ST. MARY PARISH ASSESSOR
Franklin, Louisiana

Notes to the Financial Statements

NOTE 8 DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at December 31, 2005 consisted of the following:

Tax roll preparation fees:	
City of Franklin	\$ 2,013
City of Morgan City	3,272
City of Patterson	1,386
Town of Baldwin	686
Town of Berwick	1,080
Mapping project reimbursement:	
Recreation District #2	<u>656</u>
	<u>\$ 9,093</u>

NOTE 9 PENSION PLAN

Plan Description -

Substantially all employees of the St. Mary Parish Assessor's office are members of the Louisiana Assessor's Retirement System, a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All full-time employees who are under the age of 60 at the time of original employment and are not drawing retirement benefits from any other public retirement system in Louisiana are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service or at or after age 50 with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive of joined months that produce the highest average.

Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination.

The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Assessor's Retirement System, Post Office Box 1786, Shreveport, Louisiana 71166-1786, or by calling (318) 425-4446.

ST. MARY PARISH ASSESSOR
Franklin, Louisiana

Notes to the Financial Statements

NOTE 9 PENSION PLAN (CONTINUED)

Funding Policy –

Plan members are required by state statute to contribute 8.0 percent of their annual covered salary, and the St. Mary Parish Assessor is required to contribute at an actuarially determined rate. The current rate is 14.0 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish, plus revenue sharing funds appropriated by the legislature. The contribution requirement of plan members and the St. Mary Parish Assessor are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The St. Mary Parish Assessor's contributions to the System for the years ending December 31, 2005, 2004 and 2003 were \$65,916, \$68,106 and \$63,254, respectively, equal to the required contributions for each year.

NOTE 10 EXPENDITURES OF THE ASSESSOR NOT INCLUDED IN THE FINANCIAL STATEMENTS

The Assessor's office is located in the St. Mary Parish Courthouse. The upkeep and maintenance of the courthouse is paid by the St. Mary Parish Council.

NOTE 11 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has elected to purchase insurance coverage through the commercial insurance market to cover its exposure to loss. The District is insured up to policy limits for each of the above risks. There were no significant changes in coverages, retentions, or limits during the year ended December 31, 2005. Settled claims have not exceeded the commercial coverages in any of the previous three fiscal years.

**REQUIRED SUPPLEMENTARY
INFORMATION**

ST. MARY PARISH ASSESSOR
Franklin, Louisiana

Budgetary Comparison Schedule – General Fund
Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Taxes - ad valorem	\$ 816,227	\$ 796,002	\$ 840,111	\$ 44,109
Intergovernmental -				
State revenue sharing	53,968	51,015	50,448	(567)
Miscellaneous -				
Interest on deposits	3,000	7,831	6,163	(1,668)
Other	12,250	15,961	14,278	(1,683)
Total revenues	<u>885,445</u>	<u>870,809</u>	<u>911,000</u>	<u>40,191</u>
Expenditures:				
Current -				
General government:				
Taxation -				
Auto expense	29,160	25,103	24,359	744
Dues and subscriptions	2,400	2,404	2,003	401
Insurance - general	34,000	27,622	24,674	2,948
Insurance - group	74,868	95,510	95,484	26
Legal and professional fees	35,000	53,434	52,683	751
Office expense	8,575	12,323	13,252	(929)
Postage	4,000	3,307	2,905	402
Retirement	83,845	80,634	82,007	(1,373)
Repairs and maintenance	80,000	60,663	54,236	6,427
Salaries	489,275	463,767	479,373	(15,606)
Taxes	7,094	9,898	7,534	2,364
Telephone	4,800	5,147	5,516	(369)
Travel and seminars	7,000	3,826	2,713	1,113
Total general government	<u>860,017</u>	<u>843,638</u>	<u>846,739</u>	<u>(3,101)</u>
Debt service -				
Principal retirement	12,500	6,192	4,934	1,258
Interest and fiscal charges	-	-	743	(743)
Capital Outlay	5,000	2,000	-	2,000
Total expenditures	<u>877,517</u>	<u>851,830</u>	<u>852,416</u>	<u>(586)</u>
Excess of revenues over expenditures	7,928	18,979	58,584	39,605
Fund balance, beginning	<u>21,899</u>	<u>21,899</u>	<u>21,899</u>	-
Fund balance, ending	<u>\$ 29,827</u>	<u>\$ 40,878</u>	<u>\$ 80,483</u>	<u>\$ 39,605</u>

**INTERNAL CONTROL
AND
COMPLIANCE**



Darnall, Sikes, Gardes Frederick

(A Corporation of Certified Public Accountants)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Sherel A. Martin, Jr., Assessor
St. Mary Parish Assessor
Franklin, Louisiana

We have audited the financial statements of the St. Mary Parish Assessor, as of and for the year ended December 31, 2005, and have issued our report thereon dated May 3, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the St. Mary Parish Assessor's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the St. Mary Parish Assessor's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Eugene H. Darnall, CPA, Retired 1990
Paula D. Bihm, CPA Deceased 2002

E. Larry Sikes, CPA, CVA, CFPTM
Danny P. Frederick, CPA
Clayton E. Darnall, CPA, CVA
Eugene H. Darnall, III, CPA
Stephanie M. HigginBotham, CPA
John P. Armato, CPA
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Jennifer S. Ziegler, CPA, CFPTM
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Member of:
American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

This report is intended solely for the information and use of the St. Mary Parish Assessor, the St. Mary Parish Council, and others within the organization. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document, therefore its distribution is not limited.

Dannall, Sikes, Gaudes & Frederick

A Corporation of Certified Public Accountants

Morgan City, Louisiana

May 3, 2006

ST. MARY PARISH ASSESSOR
Franklin, Louisiana

Summary Schedule of Prior Year Findings
Year Ended December 31, 2005

There were no findings noted in the prior year.

ST. MARY PARISH ASSESSOR
Franklin, Louisiana

Schedule of Findings and Questioned Costs
Year Ended December 31, 2005

Part 1: Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report – Financial Statements

An unqualified opinion has been issued on the St. Mary Parish Assessor's financial statements as of and for the year ended December 31, 2005.

Reportable Condition – Financial Reporting

There were no reportable conditions in internal control over financial reporting noted during the audit.

Material Noncompliance – Financial Reporting

There were no material instances of noncompliance noted during the audit.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended December 31, 2005.

Part 2: Findings Relating to an Audit in Accordance with *Government Auditing Standards*

There were no findings noted during the audit.

Part 3: Findings and Questioned Costs Relating to Federal Programs

At December 31, 2005, the St. Mary Parish Assessor, did not meet the requirements to have a single audit in accordance with OMB Circular A-133, therefore this section is not applicable.

ST. MARY PARISH ASSESSOR
Franklin, Louisiana

Management's Corrective Action Plan For Current Year Findings
Year Ended December 31, 2005

There were no findings noted during the audit.